



CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER



DATE: June 15, 2016

TO: Chairman and Oversight Agency Board Members

FROM: Successor Agency of the former Inglewood Redevelopment Agency

SUBJECT: Adopt Resolution Approving Amendment to the Long Range Property Management Plan to Allow City Retention of Parking Structure 2 for Governmental Use as Authorized by SB 107

RECOMMENDATION:

It is recommended that the Chairman and Agency Board members adopt a resolution approving an amendment to the Long Range Property Management Plan (LRPMP) of the City of Inglewood as Successor Agency to the former Inglewood Redevelopment Agency (Successor Agency) changing the method of designation for and disposition of Parking Structure 2 from retain for future development by the City of Inglewood (City) to retain for governmental use by the City.

BACKGROUND:

The purpose of the (LRPMP) was to designate the method of disposition/sale of Successor Agency-owned properties (Properties) for review and approval by the California Department of Finance (DOF). The LRPMP provides specific information about each of the Properties and identifies one of four (4) types of permitted dispositions by the Successor Agency for each of the Properties as authorized by the Redevelopment Dissolution Law. The four permitted types of disposition consist of the following:

1. Enforceable Obligation – A use that complies with an existing agreement entered into by the former Inglewood Redevelopment Agency prior to June 27, 2011 and approved by the DOF as an enforceable obligation;
2. Retain by the City for a governmental use consistent with the requirements of the Dissolution Law;
3. Transfer to the City for a redevelopment use identified within the redevelopment plan (retained by City for future redevelopment); and
4. Sell on the open market by the Successor Agency.

Although many cities classify public parking structures supporting business districts as governmental use, prior Redevelopment Dissolution Law did not. A public parking structure would only qualify as a governmental use if it supported a specific civic use, such as a police station or city hall. Public parking structures supporting retail districts were required to be sold pursuant to one of the four (4) above noted disposition methods.

Parking Structure 2 is located at 115 N. Locust Street and provides parking support for various private activities, including the Market Street Business District. It was categorized in the LRPMP for disposition to the City as “retained for future redevelopment” by the City.

DISCUSSION:

After the approval of the LRPMP, Senate Bill 107 was enacted by the State Legislature to modify the Redevelopment Dissolution Law and permit parking structures supporting private activities to now be designated as governmental use and transferred to the City under specific conditions. These conditions are specifically set forth in Section 34191.3(b) of the California Health & Safety Code and authorize a Successor Agency to amend an approved LRPMP once, prior to July 1, 2016, to change the designation of those parking structures where maintenance costs exceeds revenues, to the disposition category of “to be retained by the City for a governmental use.”

Parking Structure 2, has been experiencing on-going operating losses for the past several years. Maintenance costs and expenses have exceeded revenues even prior to its transfer to the Successor Agency from the former Inglewood Redevelopment Agency pursuant to Redevelopment Dissolution Law. Since that transfer, maintenance costs and expenses have continued to exceed the revenue generated by Parking Structure 2. To sustain operations at Parking Structure 2, revenue generated by Parking Structure 1, a parking structure also previously transferred to the Successor Agency by the former Inglewood Redevelopment Agency and subsequently conveyed to the City as a “retained governmental use” per the DOF-approved LRPMP, has been historically used to subsidize these Parking Structure 2 deficits.

**Table 1
Parking Structure II
Expense Revenue**

	July-14 <u>June-15</u>	July-15 <u>December-15</u>	January-16 <u>April-16</u>
Gate Sales	\$ 4,965.25	\$ 3,896.50	\$ 2,510.50
Validation Booklets	\$ 61,530.00	\$ 27,600.00	\$ 19,755.00
Monthly passes	<u>\$ 24,930.00</u>	<u>\$ 17,790.00</u>	<u>\$ 15,840.00</u>
Revenues	\$ 91,425.25	\$ 49,286.50	\$ 38,105.50
Contract services -Parking			
Outsource	\$ (76,774)	\$ (53,819)	\$ (36,119)
Spec Exp-Parking &			
Outsource	\$ (5,127)	\$ (241)	\$ -
Interfund-Parking &			
Enterprise	<u>\$ (18,811)</u>	<u>\$ (8,750)</u>	<u>\$ (11,183)</u>
Expenses	\$ (100,711.27)	\$ (62,809.69)	\$ (47,302.67)
	\$ (9,286)	\$ (13,523.19)	\$ (9,197.17)

FINANCIAL/FUNDING ISSUES AND SOURCES:

There will be no funding impacts

DESCRIPTION OF ANY ATTACHMENTS:

Attachments 1 Resolution

APPROVAL VERIFICATION SHEET

Prepared and Presented By: Margarita Cruz, Oversight Board Member

Reviewed and Approved By: Royce Jones, Legal Counsel to the Successor Agency

1 **WHEREAS**, Senate Bill 107 also authorized and provided for the inclusion into a
2 one-time amended LRPMP the re-designation of parking structures supporting private
3 activities and their subsequent transfer to the applicable host city from “property
4 retained for future development” to “governmental use” where maintenance costs
5 exceeded parking revenues under circumstances prescribed in Section 34191.3(b) of
6 the HSC, and
7

8 **WHEREAS**, Parking Structure 2 is presently owned by the Agency and despite
9 being designated in the approved LRPMP, as revised, as “retained for future
10 development,” it has experienced on-going operating losses for the past several years,
11 and
12

13 **WHEREAS**, as a consequence of these ongoing operating losses, the Agency
14 desires to amend the approved LRPMP, as revised, to re-designate and transfer
15 Parking Structure 2 as a “government use” to the City pursuant to Section 34191.3(b) of
16 the HSC and requests that the Oversight Board review, approve and direct the Agency
17 to transmit the subject approved LRPMP, as revised, to Finance for its approval,
18

19 **NOW, THEREFORE**, the Oversight Board to the City of Inglewood as Successor
20 Agency to the former Inglewood Redevelopment Agency does hereby resolve as
21 follows:
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23 Section 1. The Recitals set forth above are true and correct and are
24 incorporated into the Resolution by this reference.

25 Section 2. The Oversight Board hereby approves the amendment to the
26 approved LRPMP, as revised, attached hereto as Exhibit No. 1 in the form of the
27 “Amendment to Long Range Property Management Plan” (hereinafter referred to herein
28

1 as "Amended LRPMP"), providing for the re-designation and transfer of Parking
2 Structure 2 to the City as a "government use," pursuant to Section 34191.3(b) of the
3 HSC, and directs the authorized signatory of the Successor Agency to negotiate,
4 finalize, and submit the Amended LRPMP, or such acceptable form thereof, when and
5 as appropriate to Finance for approval consideration.
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7 Section 3. The Oversight Board Secretary shall certify as to the
8 adoption of this Resolution.

9 Section 4. This Resolution shall take effect immediately upon adoption.

10 Section 5. The Secretary of the Oversight Board shall certify as to the adoption of
11 this Resolution.
12

13 **PASSED, APPROVED AND ADOPTED** by the Oversight Board to the City of
14 Inglewood as Successor Agency to the former Inglewood Redevelopment Agency, at a
15 regularly scheduled public meeting held this _____ day of June, 2016.
16

17 Yes:

18 No:

19 Abstain:
20
21

22 _____
23 James T. Butts, Jr., Chairman,
24 City of Inglewood as Successor Agency
25 to former Inglewood Oversight Board

26 ATTEST:
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Olga J. Castañeda, Deputy Clerk
County of Los Angeles Board of Supervisors

1 Acting as Secretary to the City
2 Of Inglewood Former Redevelopment
3 Agency Oversight Board
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